



PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

2005 JUN 21 P 1:52

June 6, 2005

A self-supporting
public agency

The President's Advisory Panel on Federal Tax Reform
1440 New York Avenue, NW
Suite 2100
Washington, DC 20220

A Robert Kucab
Executive Director

Dear Chairman Mack and other Panel members:

PO Box 28066
Raleigh NC
27611-8066

I urge you to protect the nation's most effective programs for financing affordable housing, as you consider how to reform the federal tax code. The Low Income Housing Tax Credit (Housing Credit) and tax-exempt private activity housing bond (Housing Bond) programs are financing 230 million homes and apartments a year for working families and elderly citizens with low to moderate incomes.

3508 Bush Street
Raleigh NC
27609-7509

Even proposals that may seem to have no impact on the Housing Credit and Bond programs could have significant unintended consequences, as we learned in 2003. That year, the Administration's proposal to cut taxes on dividends threatened to reduce annual Housing Credit apartment production by more than one-third.

Tel 919-877-5700
Fax 919-877-5701
www.nchfa.com

The nation has a critical need for affordable housing. More than 14 million working families spend at least 50 percent of their income on housing. Hundreds of thousands more live in substandard housing or are homeless. The Housing Credit and Bond programs help address these unmet needs by making homeownership and rental housing affordable to those families.

These successful housing programs also create employment and promote economic growth. In North Carolina, for example, housing bonds and credits have generated more than 78,000 construction jobs, and have raised \$626 million in state and local tax revenues.

The Housing Credit and multifamily Housing Bond programs have financed 50,000 apartments in North Carolina for working families and the elderly. Single-family Housing Bonds—Mortgage Revenue Bonds (MRB)—have enabled 65,500 North Carolina families to buy their first home. In 2004, —the average household income of MRB homebuyers in North Carolina was \$38,500.

I urge you to oppose tax reform proposals that would directly or indirectly harm these vital programs.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Robert Kucab".

A. Robert Kucab
Executive Director